

Guide to Processing Awards Requiring OPM Approval

This guide describes two categories of awards that require Office of Personnel Management (OPM) approval: cash awards over \$10,000 and the President's Award for Distinguished Federal Civilian Service. It provides guidance and establishes procedures for requesting approval of these awards, including a nomination checklist, eligibility criteria, basis and justification required, and the legal authority for granting awards. The guide includes the following:

- Cash Awards over \$10,000 – Eligibility, Checklist, Justification, and Authority
- Nomination Template for Cash Awards over \$10,000
- Additional Cash Awards Information
- The President's Award for Distinguished Federal Civilian Service– Eligibility, Checklist, Justification, and Authority
- Nomination Template for The President's Award for Distinguished Federal Civilian Service

Cash Awards over \$10,000

Each Agency Head may authorize the payment of a cash award up to \$10,000. Awards over \$10,000 are quite rare. If an employee's performance or specific contribution is significant enough to warrant a cash award over \$10,000, the agency must submit a request to the Director of OPM. The Director of OPM may approve an award for an individual employee up to \$25,000 for a specific contribution, made either as an individual or as a member of a group or for extraordinarily exceptional performance over an entire appraisal period. If the recommended award is over \$25,000, the Director of OPM reviews the nomination and forwards his/her recommendation to the President for approval.

Eligibility

Most Federal employees are eligible for consideration. Agencies must ensure the proposed award recipient meets the definition of "employee" in section 4501 of title 5, United States Code and is not prohibited from receiving an award by section 4508 or 4509 of title 5, United States Code.

Nomination Checklist

When recommending an award that would exceed the \$10,000 limit for an individual, an Agency Head (or designee) must submit a written request to the Director of OPM for approval. The nomination must include the following:

- information about the proposed award recipient including the employee's name, title, organization, job responsibilities, and appointment type;

- the total amount of the award (i.e., \$10,000 authorized by the agency and the amount in excess of \$10,000 requiring approval);
- the basis for granting the award (e.g., specific contribution or rating of record);
- justification for the recommended award (see below);
- if the recommended award is more than \$25,000, the certification of the Agency Head (or designee) that the proposed award recipient has not been involved in any action or activity that could cause the President embarrassment; and
- the signature of the Agency Head (or designee).

Basis and Justification for Award

Awards over \$10,000 must be based on a specific contribution or a rating of record as described below. Agencies must provide appropriate justification to OPM so that it is clear what the award is recognizing and why the award amount is commensurate with the employee's achievement.

Specific Contribution-Based Awards — 5 CFR 451.104(a)(1) and (2)

Agencies may base the proposed award on:

- a suggestion or invention (adopted by the agency), superior accomplishment, productivity gain, or other personal effort that contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork; or
- the employee performed a special act or service in the public interest in connection with or related to his or her official employment; or

Agencies should describe the contribution or achievement that merits the award using non-technical language. The award justification must—

- explain the significant impact of the employee's contribution and why it warrants a cash award over \$10,000 (e.g., impact of the contribution on the accomplishment of the agency's mission);
- include examples illustrating how the employee was personally responsible for the achievement or accomplishment (or his/her portion if the award is part of a larger group award that still amounts to over \$10,000 to the individual employee); and
- describe how the award amount is commensurate with the value of the contribution to the Government, based on tangible or intangible benefits, or a combination of both (e.g., agencies may explain dollar savings, avoided costs, the impact of the contribution, and whether the contribution reaches beyond the organization originally benefiting).

Awards over \$25,000 are extremely rare. The agency must consider carefully whether the contribution warrants recognition by the President. Accordingly, such awards are reserved for truly exceptional contributions, not for simply "doing the job well." These awards carry significant prestige and agencies must not propose them solely to recognize long and faithful service.

Rating-Based Awards for Non-Senior Executive Service Employees — 5 CFR 451.104(a)(3)

The proposed award must be based on the employee’s most recent rating of record. The rating of record must be at the “Fully Successful” (or equivalent) level or higher. Additional examples of performance are not required, but the agency may include the employee’s performance appraisal as supporting information.

Agencies should also consider the following issues when recommending rating-based awards:

- Awards over \$10,000 are most likely granted to employees in senior-level (SL) positions paid under 5 U.S.C. 5376 who function as executives with a rating of record of level 4 or higher;
- Awards over \$25,000 are reserved for extraordinary contributions rather than performance over a one year period (i.e., the typical appraisal period); and
- Agencies may request approval of multiple rating-based awards in a single request. When requesting multiple awards, agencies should provide employees’ name, total award amount, award as a percent of salary, and rating of record level in a table format.

Authority

The table below shows the approval level for various award amounts and the corresponding legal authorities.

Award Amount	Approving Authority	Legal Authority
Up to \$10,000	Agency Head (or designee)	5 U.S.C. 4502, 4503, 4505a
\$10,001-25,000	OPM Director*	5 U.S.C. 4502
\$25,001 and over	President	5 U.S.C. 4502 in combination with 4504

*There are cases where an agency has other legal authority to pay an award over \$10,000 without OPM approval (e.g., the Department of Defense and the Internal Revenue Service may approve awards up to \$25,000).

Nomination Template for Cash Awards over \$10,000

Agencies submitting a request for approval of an award amount over \$10,000 must use the following format to provide the information OPM will need to consider the request. Nominations generally should not exceed two pages in length.

AGENCY LETTERHEAD

(Name of the OPM Director)
Director
U.S. Office of Personnel Management
1900 E Street, N.W.
Washington, DC 20415-0001

Dear (Name of the Director):

1. Introduction requesting approval and including additional award amount, total award amount, basis for award, and the Federal employee's name (1-2 paragraph)
2. Information containing employee's title, organization information, job responsibilities, and appointment type (1-2 paragraph)
3. Explain why the award is warranted, justified
 - a. If the award is based on a specific contribution, describe the impact of the contribution and how the award is commensurate with the value of the achievement (1-2 paragraph)
 - b. If the award is based on a rating of record, provide the rating of record performance level and indicate the percentage of salary the award represents (1 sentence)
4. Disclaimer required when the total award amount is more than \$25,000: I certify that the individual has not been involved in any action or activity that could cause the President embarrassment

Sincerely,

Signature of Agency Head (or designee)

Additional Cash Awards Information

Misuse of Specific Contribution-Based Awards

Contribution-based awards encourage discretionary employee effort and recognize specific accomplishments that an agency values and wants its employees to emulate. However, some circumstances are inappropriate for awards under the general awards authorities in 5 U.S.C. chapter 45, such as awards to —

- an SES noncareer or SES limited appointee for performance the agency normally would recognize through a rating-based award — only career members of the SES are eligible to receive rating-based awards (authorized under 5 U.S.C. 5384); or
- an employee leaving the agency when it appears to be a departure or retirement bonus.

Limitations and Exceptions

- Awards based solely on a rating of record generally do not exceed 10% of an employee's rate of basic pay (including locality pay). However, an Agency Head may authorize a rating-based award of more than 10% if he or she feels it is justified, based on the employee's exceptional performance. However, these awards may not, under any circumstances, exceed 20% of basic pay. Also, computation of a rating-based award as a percentage of basic pay may result in an award over \$10,000, requiring OPM approval.
- Award criteria for employees in senior-level (SL) and scientific or professional (ST) positions follow the general awards authority under chapter 45 of title 5; the SES performance award procedures and amounts do not apply to SL/ST employees.
- Awards may not be given during a Presidential election period (June 1 of an election year to January 20 of the following year) to employees who are —
 - In an SES position but not a career SES appointee, or
 - In an excepted service position of a confidential or policy-determining character (Schedule C).
- Except for certain rank awards and performance awards paid to former SES members who retain SES provisions under section 317.801 of title 5, Code of Federal Regulations, cash awards may not be granted to Presidential appointees with Senate confirmation who serve in Executive Schedule positions or in positions where the pay is set in statute by reference to a level of the Executive Schedule.

Other Reminders

Agencies must follow —

- laws and regulations that might impact the payment of awards such as tax laws and the Fair Labor Standards Act;
- the procedures and requirements for granting awards established by the agency including applicable agency financial management controls and delegations of authority;
- OPM requirements for documenting and reporting awards; and

- OPM regulations for aggregate annual compensation limits, which includes awards.

Restrictions or procedures for performance awards for SES members

Performance awards for SES members have separate statutory authorities and are not subject to the restrictions or procedures of chapter 45. For information about SES performance awards, refer to <http://www.opm.gov/ses/performance/awards.asp>.

The President’s Award for Distinguished Federal Civilian Service

The President’s Award for Distinguished Federal Civilian Service (PADFCS) is the highest honor the Federal Government can bestow upon a career civilian employee. Generally, not more than five awards are granted in one year. The award consists of an inscribed gold medal suspended from a blue and white ribbon, a lapel rosette, and a certificate.

Eligibility

Federal employees who have already received the highest award their agency has to offer may be considered for the PADFCS. Presidential appointees are not eligible for this award. The President upon the recommendation of the OPM Director selects recipients of the award.

Nomination Checklist

The nomination must be submitted in writing to the OPM Director and signed by the head of the department or independent agency.

The nomination must contain the following information, in the order listed:

- A brief biographical sketch, in itemized format and chronological order, containing date and place of birth; significant educational background, significant employment record; a specific statement of type of appointment status; current grade level; and other pertinent information.
- A proposed citation for the signature of the President. The citation should highlight the significance of the individual’s achievements in 50 to 60 words.
- Additional information under the following topical headings:
 - Achievement Summary. Explain the accomplishments of the nominee.
 - Details. In non-technical language, illustrate how the nominee was personally responsible for the achievement.
 - Personal qualities. Provide examples of personal qualities of the nominee which made their achievements possible.
- A statement describing any significant awards received by the nominee, which demonstrate a long and distinguished career. Identify the agency’s highest award granted to the nominee.

- A statement that there is nothing in the nominee's background that would embarrass the President.

Basis for Award

The importance of the achievement to the Government and to the public interest shall be so outstanding that the employee is deserving of greater public recognition than the head of the department or agency can bestow.

The achievement must reflect one or more of the following:

- Imagination in developing creative solutions to problems of government;
- Courage in persevering against great odds and difficulties;
- High ability in accomplishing extraordinary scientific or technological achievement, in providing outstanding leadership in planning, organizing, or directing a major program of unusual importance and complexity, or in performing an extraordinary act of credit to the Government and the country; or
- Long and distinguished career service.

Authority

The PADFCFS is authorized by Executive Order 10717, as amended by Executive Orders 10979, 11085, and 12014.

Nomination Template for the President's Award for Distinguished Federal Civilian Service

The template below illustrates how to format a nomination for the President's Award for Distinguished Federal Civilian Service for submission to OPM. The nomination must contain the following information, in the order listed.

AGENCY LETTERHEAD

(Name of the OPM Director)
Director
U.S. Office of Personnel Management
1900 E Street, N.W.
Washington, DC 20415-0001

Dear (Name of the Director):

1. A brief biographical sketch, in itemized (bullet) format, containing date and place of birth; significant educational background, significant employment record; a specific statement of type of appointment status; current grade level; and other pertinent information.
2. A proposed citation for the signature of the President. The citation should highlight the significance of the individual's achievements in 50 to 60 words.
3. Additional information under the following topical headings:
 - a. Achievement Summary. Explain the accomplishments of the nominee.
 - b. Details. In non-technical language, illustrate how the nominee was personally responsible for the achievement, and
 - c. Personal qualities. Provide examples of personal qualities of the nominee which made their achievement possible.
4. A statement describing any significant awards received by the nominee, which demonstrate a long and distinguished career. Identify the agency's highest award granted to the nominee.
5. Disclaimer: I certify that the individual has not been involved in any action or activity that could cause the President embarrassment.

Sincerely,

Signature of Agency Head